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**Chairman Towns Questions Competitiveness of HHS Stimulus Contracts**  
***Requests information on access to stimulus funds for small, minority, women-owned businesses***

WASHINGTON – House Committee on Oversight and Government Reform Chairman Edolphus “Ed” Towns (D-NY) is seeking information from Department of Health and Human Services (HHS) Secretary Kathleen Sebelius amid reports that small, minority and women-owned business may have been denied access to certain American Recovery and Reinvestment Act (Recovery Act) contracts awarded by the department. Supporting small, minority, and women-owned businesses is a vital component of the broad effort to stimulate the American economy and Chairman Towns wants to ensure that HHS is meeting this principle purpose of the Recovery Act.

“While HHS appears to have swiftly applied Recovery Act dollars to important goals, it has been brought to my attention that HHS may be spending such funds through contracting vehicles that are not accessible to minority and women-owned small businesses,” Chairman Towns wrote. “A principle part of the Recovery Act is to ‘preserve and create jobs and promote economic recovery,’ and supporting small, minority, and women-owned businesses is a vital component of that broad effort.”

Through the Recovery Act, HHS is investing \$167 billion across 40 programs aimed at improving and preserving health care, promoting the use of health information technology, and supporting children and constituent services. When issuing the stimulus funds to contractors, federal agencies must follow guidelines from the Office of Management and Budget (OMB) on maximizing opportunities for small businesses to compete for agency contracts and participate as subcontractors.

“I am concerned that HHS may not be appropriately executing the clear OMB directives,” said Chairman Towns. “It is critical to our nation's recovery efforts that Federal agencies follow by OMB's guidance and provide these businesses fair access to contracting opportunities.”

In the letter to Secretary Sebelius, Chairman Towns requested that HHS ensure that small,

minority, and women-owned businesses are afforded access to Recovery Act contracting opportunities through HHS, and that HHS provide a detailed account of all past, present, and prospective efforts of HHS, and its agencies, to engage the participation of small, minority and women-owned businesses in Recovery Act programs and projects.

Additionally, Chairman Towns asked that HHS provide a list of all Recovery Act contracts awarded to small, minority and women-owned businesses and requested a list of all HHS Recovery Act awards made non-competitively or through a task order, including those under any contract predating the passage of the Recovery Act, for which a small, minority, or women-owned business may not have known to compete.

Conducting vigorous oversight of the Recovery Act has been a key part of Chairman Towns' agenda in the 111<sup>th</sup> Congress. He has held several hearings to examine the implementation of the Recovery Act, introduced legislation to help state auditors meet the Recovery Act's accountability standards and worked with Vice President Joe Biden to improve the programs main transparency tool, Recovery.gov. The full text of the letter from Chairman Towns is below.

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### Documents and Links

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[Letter from Chairman Edolphus Towns to Health and Human Services Secretary Kathleen Sebelius](#)